



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/812,902	03/31/2004	Craig Farr	SSB0004	4994
27510	7590	06/15/2006	EXAMINER	
KILPATRICK STOCKTON LLP 607 14TH STREET, N.W. WASHINGTON, DC 20005			SUBRAMANIAN, NARAYANSWAMY	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 06/15/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	10/812,902	FARR, CRAIG	
	Examiner	Art Unit	
	Narayanswamy Subramanian	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 January 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This office action is in response to applicant's communication of January 11, 2006. Rejection of claims 12-22 made under 35 USC § 101 indicating lack of technological art, is withdrawn in view of decisions in *Ex Parte Lundgren*. Claims 1-22 are pending in the application and have been examined. The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-22 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claims 1-11 recite "A financial instrument". It is not clear if the claimed invention is a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof". A financial instrument is essentially a collection of information and rights and as such does not fall into one of the above-mentioned categories.

Claims 12-22 are rejected under 35 U.S.C. § 101 for failing to produce useful, concrete and tangible result. Claims 12-22 recite the steps of offering and providing a clause that doesn't ensure anything real world, so it lacks tangibility. The steps of offering and providing a clause does not require a response. Arguably this is not useful, as merely offering and providing a clause doesn't yield anything specific and substantial.

The Court of Appeals for the Federal Circuit issued opinions in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999). These decisions explained that, to be eligible for patent protection, the claimed invention as a whole must accomplish a practical application. That is, it must produce a “useful, concrete and tangible result.” *State Street*, 149 F.3d at 1373-74, 47 USPQ2d at 1601 02. To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways: (a) The claimed invention “transforms” an article or physical object to a different state or thing. (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

The USPTO’s official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. See MPEP § 2107.

The tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application”).

For an invention to produce a “concrete” result, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable.

Art Unit: 3624

There is no useful, concrete and tangible result produced from implementing the steps of the claimed invention. Claims 13-22 are rejected for the same reason and by way of dependency on a rejected independent claim.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

5. Claims 1-11 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is not clear if by the term “A financial instrument”, the Applicants mean “a method”, “an apparatus” or “a process”. It is not clear as to which statutory class the claimed invention belongs. Clarification is required.

Claims 12-22 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01.

In claim 12 it is not clear as to how the steps of offering a fixed income instrument, offering a coupon for the fixed income instrument and providing a first acceleration trigger clause are related to the step of offering a forward purchase contract to purchase at least one equity share at a predetermined future contract date and how these steps taken together lead to the claimed objective of offering a financial instrument. Claims 13-22 are rejected by dependency.

Appropriate clarification/correction is required.

Also the preamble of claim 12 recites “A method for offering a financial instrument”. However the body of the claim recites “offering a fixed income instrument” and “offering a

Art Unit: 3624

forward purchase contract”, which amounts to offering two financial instruments. Hence the metes and bounds of the claim are indeterminate. Claims 13-22 are rejected by dependency. Appropriate clarification/correction is required.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Birle Jr. et al (US Pub. No. 2003/0130941 A1).

Claims 1 and 12, Birle teaches the step of providing a first acceleration trigger clause to designate a contingency prior to a predetermined date upon a happening of a first predetermined event (See Birle Paragraph 39).

Birle does not explicitly the steps of offering a fixed income instrument having a predetermined remarketing date for remarketing the fixed income instrument; offering a coupon for the fixed income instrument; offering a forward purchase contract to purchase at least one equity share at a predetermined future contract date.

Official notice is taken that the steps of offering a fixed income instrument having a predetermined remarketing date; offering a coupon for the fixed income instrument; offering a forward purchase contract to purchase at least one equity share at a predetermined future contract date is old and well known in the art. These steps are common in the design of a hybrid security

Art Unit: 3624

that combines the features of two or more individual securities. These steps enable an issuer to tailor securities according to their needs and requirements. The limitation “for remarketing the fixed income instrument” is interpreted as intended use and hence not given any patentable weight.

It would have been obvious to one of ordinary skill in the art to include these steps to the disclosure of Birle. The combination of disclosures suggests that issuers would have benefited from having the financial instruments structured to suit their individual needs and requirements.

Claims 2 and 13, Birle teaches the step of providing a second acceleration trigger clause designating a second date to make a contingent payment upon a happening of a second predetermined event (See Birle Paragraph 39). The contingent payment is interpreted to include payments to purchase the at least one equity share.

Claims 3 and 14, Birle teaches providing a second acceleration trigger clause designating a third date to designate a contingency upon a happening of a second predetermined event (See Birle Paragraph 39). The contingency is interpreted to include remarketing the fixed income instrument prior to the predetermined remarketing date.

Claims 4-11 and 15-22, Birle discloses multiple triggers that may be triggered at any time (See Birle Paragraph 39). The multiple triggers that may be triggered at any time are interpreted to include the specific dates and features included in these claims.

Response to Arguments

8. Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

Art Unit: 3624

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (571) 272-6747. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Dr. N. Subramanian
May 12, 2006